

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 745 - SB 1379

February 25, 2019

SUMMARY OF BILL: Increases, from \$600 to \$1,000 the amount of a Tennessee Middle College Scholarship (TMCS) awarded each semester to an eligible student for full-time attendance.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures –

\$126,400/Lottery for Education Account/FY19-20
Exceeds \$126,400/Lottery for Education Account/FY20-21 and Subsequent Years

Other Fiscal Impact – Funding of \$126,400 in FY19-20, and recurring funding exceeding \$126,400 in FY20-21 and subsequent years, will not be available for transfer from the Lottery for Education Account to the Tennessee Promise Special Reserve Account.

Assumptions:

- Pursuant to Tenn. Code Ann. § 49-4-909(d), the current TMCS award is \$600 for full-time attendance each semester for a total of \$1,200 each year.
- Passage of this legislation will increase an eligible student's award amount from \$600 to \$1,000 per semester for a total of \$2,000 each year.
- The increase in state expenditures from the Lottery for Education Account (LFEA) for each respective student will be \$800 (\$2,000 new award - \$1,200 current award) per year.
- The current number of participants is 144. Based on information provided by the Tennessee Student Assistants Corporation, it is estimated that for FY19-20 there would be an increase of 10 percent more students who will receive the TMCS for an approximate total of 158 students (144 current students x 110%).
- The increase in state expenditures from the LFEA is estimated to be \$126,400 [(\$2,000 - \$1,200) x 158] in FY19-20.
- It is estimated that the number of students who will receive the TMCS will increase each year; therefore, the recurring increase in state expenditures from the LFEA is estimated to exceed \$126,400 in FY20-21 and subsequent years.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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